

State of Hawaii
DEPARTMENT OF LAND AND NATURAL RESOURCES
Engineering Division
Honolulu, Hawaii 96813

December 9, 2011

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

**Authorization to Enter Into an Inter-Governmental Agreement
With the City and County of Honolulu, Department of Environmental Services
for the
Transfer of Ownership of the Waimanalo Wastewater Treatment Plant
Honolulu, Oahu, Hawaii**

BACKGROUND:

The Waimanalo Wastewater Treatment Plant (WWTP) was constructed by the State in the late 1960's to serve the needs of the plantation community on State lands in Waimanalo. The facility was built with Federal assistance and was intended to be turned over to the City and County of Honolulu (C & C).

The C & C was unwilling to fully accept ownership of the plant without an ocean outfall to dispose of the effluent material. An ocean outfall system was determined to be infeasible due to the shallow offshore conditions in the area. The use of additional injection wells was proposed and approved by the C & C as the effluent disposal system.

In a 1972 agreement, the C & C agreed to operate the plant with a condition that the State would be responsible for all future upgrades to meet Federal and State water quality standards. On numerous occasions, the WWTP did not meet the State Department of Health (DOH) water quality standards and continuously received unacceptable ratings in DOH's annual inspections. The unacceptable ratings were due to overcapacity, outdated wastewater treatment process and the inadequate effluent disposal system.

The C & C agreed to accept ownership of the WWTP provided that the State completes the required improvements to meet the water quality standards. Since the 1990's, the State has implemented multiple projects attempting to bring the WWTP up to standards. The latest and final project was constructed in 2007. The C & C has partially accepted the latest improvements and are currently operating the WWTP. The State and the C & C have been working together to resolve all the remaining punchlist items. According to a letter from the C & C, dated December 29, 2010 (See Exhibit "A") only 2 unresolved issues remained, upgrades to the SCADA system and completion of the Operation & Maintenance Manual. Both issues have since been addressed and approved by the C & C.

AGREEMENT:

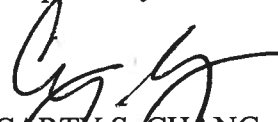
The Department of Land and Natural Resources desires to enter into an Inter-governmental Agreement with the C & C's Department of Environmental Services to transfer ownership of the Waimanalo Wastewater Treatment Plant, Honolulu, Oahu.

A copy of the Draft Agreement, is attached as Exhibit "B".

RECOMMENDATION:

That the Board authorize the Chairperson to sign the Inter-governmental Agreement to transfer ownership of the Waimanalo Wastewater Treatment Plant from the State to the C&C and other necessary documents pertaining to the project, subject to the approval as to form by the Department of Attorney General and to take any other appropriate action needed to address the situation.

Respectfully submitted,



CARTY S. CHANG
Chief Engineer

Approved For Submittal:



WILLIAM J. AILA, JR, Chairperson



PETER B. CARLISLE
MAYOR

DEPARTMENT OF ENVIRONMENTAL SERVICES
CITY AND COUNTY OF HONOLULU
DIVISION OF WASTEWATER TREATMENT AND DISPOSAL
1350 SAND ISLAND PARKWAY, HONOLULU, HAWAII 96819 - 4319

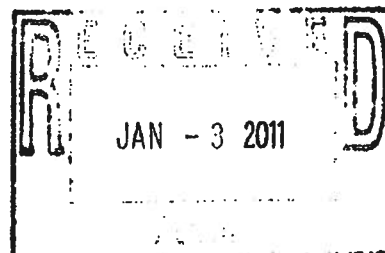


TIMOTHY E. STEINBERGER, P.E.
DIRECTOR

ATHAN K. ADACHI
CHIEF
ES 10-126

December 29, 2010

Mr. Carty S. Chang, Chief Engineer
Engineering Division
Department of Land and Natural Resources
1151 Punchbowl Street, Room 221
Honolulu, Hawaii 96813



Dear Mr. Chang:

Subject: Waimanalo Wastewater Treatment Plant

Pursuant to the goal of transferring the Waimanalo Wastewater Treatment Plant from the State to the City, there are only two remaining items that needs to be accomplished before the subject plant can be accepted by the City's Division of Wastewater Treatment and Disposal. One of the items is the approval of the O&M Manual including the electronic version and the other is the improvements to the existing SCADA system. The needed improvements to the existing SCADA system are described in the attached scope.

We are currently waiting for the revisions to the O&M manual addressing our latest comments. In reference to the improvements to the existing SCADA system, please provide us with a status of the implementation of the improvements.

Should you have any questions, please do not hesitate to contact Mr. Edmund Lung at 768-4452.

Sincerely,

A- Athan K Adachi
Chief

cc: Dennis Tulang, AECOM

Committed To Excellence

EXHIBIT "A"

COOPERATIVE AGREEMENT
Between the
STATE OF HAWAII –
DEPARTMENT OF LAND AND NATURAL RESOURCES
and
CITY AND COUNTY OF HONOLULU –
DEPARTMENT OF ENVIRONMENTAL SERVICES

CITY TAKEOVER OF WAIMANALO WASTEWATER TREATMENT PLANT FROM THE STATE

This AGREEMENT is entered into this _____ day of _____, 2010, by and between the State of Hawaii – Department of Land and Natural Resources (hereinafter the "STATE"), AND the City and County of Honolulu – Department of Environmental Services (hereinafter "CITY"),

WITNESSETH, that

WHEREAS, the STATE owns, in fee, the property upon which the Waimanalo Wastewater Treatment Plant and Underground Injection System Facility (the "Waimanalo WWTP") is situated, and originally constructed the Waimanalo WWTP; and

WHEREAS, the Waimanalo WWTP, located at 41-1060 Kalanianaʻole Highway, Waimanalo, Hawaii (Tax Map Key 4-1-9:270) serving the Waimanalo tributary area provides secondary treatment and disposal by injection wells; and

WHEREAS, the CITY operates the Waimanalo WWTP; and

WHEREAS, a letter dated April 18, 1972, purports to set out responsibilities of the STATE and CITY over the operation, maintenance, repair and upgrades of the Waimanalo WWTP; and

WHEREAS, by Executive Order No. 3434 on October 24, 1989, the STATE set aside land to the CITY for the public purpose of providing the site for the Waimanalo WWTP, and

WHEREAS, the Waimanalo Wastewater Facilities Plan identified additional infrastructure improvements for the Waimanalo WWTP to meet needs until 2020; and

WHEREAS, the STATE completed improvements to the treatment plant in July 2008; and

EXHIBIT "B"

WHEREAS the STATE desires to dedicate the Waimanalo Wastewater Treatment Plant to the CITY and CITY desires to own the plant.

NOW, THEREFORE, the STATE and CITY, in consideration of the mutual promises herein set forth, hereby agree as follows:

1. The CITY will accept the transfer of ownership of the Waimanalo Wastewater Treatment Plant; and
2. The instruments for the transfer of ownership will be the Executive Order and a Bill of Sale.

This agreement may only be modified by written agreement of the parties.

IN WITNESS WHEREOF, the parties hereto have executed this Cooperative Agreement on the day and date first above written.

APPROVED:

**STATE OF HAWAII
DEPARTMENT OF
LAND AND NATURAL RESOURCES**

By _____
Chairperson

**CITY & COUNTY OF HONOLULU
DEPARTMENT OF
BUDGET AND FISCAL SERVICES**

By _____
RIX MAURER III
Director

**CITY AND COUNTY OF HONOLULU
DEPARTMENT OF
ENVIRONMENTAL SERVICES**

By _____
TIMOTHY E. STEINBERGER, P.E.
Director

APPROVED AS TO FORM:

APPROVED AS TO FORM AND LEGALITY:

DEPUTY ATTORNEY GENERAL

DEPUTY CORPORATION COUNSEL

DATE: _____